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March 6, 2012

Via Electronic Court Filing

The Honorable Paul S. Diamond
United States District Court for the
Eastern District of Pennsylvania
U.S. Courthouse, Room 6613
601 Market Street
Philadelphia, PA 19106

Re: *The Abi Jaoudi and Azar Trading Corp. v. CIGNA Worldwide Ins. Co.*, No. 91-6785

Dear Judge Diamond:

I am writing on behalf of Respondent Samuel M. Lohman, Esquire in the above-referenced matter to provide the Court with an update on this matter and the Cayman Islands proceeding. As CIGNA Worldwide Insurance Company ("CWW") informed Your Honor on February 2, 2012 (Doc. # 297), the Receiver was required by order dated January 27, 2012 from Justice Creswell of the Grand Court of the Cayman Islands to make a payment of \$850,000 within 28 days or the matter be dismissed. (See Doc. # 297-1 at p. 53 ¶5.) The Receiver lacked the funds to make this payment and, on February 27, 2012, a Default Judgment has been issued against the Plaintiff in the Cayman Islands proceeding. A copy of the Default Judgment is attached hereto. As such, the Cayman Islands matter is now officially ended with costs awarded to ACE Limited.

In addition, we wanted to inform Your Honor of CWW's issuing of three subpoenas to non-parties. The three subpoenas were to James Little, The Echemus Fund, and Kirk Huddles. At this time, Mr. Lohman is not aware of any other subpoenas being issued or if Mr. Little and The Echemus Fund have been served. The deposition of Mr. Huddles is scheduled for tomorrow afternoon. While Mr. Lohman has not sought to quash these subpoenas, he believes it is important for this Court to be made aware of the these new discovery efforts by CWW in this matter, despite there being no determination on the issue of contempt or the questions raised by the State Department having been resolved.

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If you have any questions, please do not hesitate to contact me.

Respectfully yours,



Mark E. Gottlieb

MEG/whp

cc: Donald W. Hawthorne, Esq.
Richard J. Bortnick, Esq.
Henry F. Reichner, Esq.

MAPLES

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 96 OF 2011 (PCJ)
(Originally Cause No: 329 of 2008)

BETWEEN:

CIGNA WORLDWIDE INSURANCE COMPANY (BY AND THROUGH
ITS COURT APPOINTED RECEIVER, JOSIE SENESIE AND IN
RESPECT OF THE ASSETS, UNDERTAKINGS AND AFFAIRS OF ITS
LICENSED LIBERIAN BRANCH AND BUSINESS)

Plaintiff

AND

ACE LIMITED

Defendant

DEFAULT JUDGMENT

UPON reading the Defendant's application for judgment in default dated 27 February 2012 and the Order herein dated 27 January 2012 (the "Order")

AND UPON reading the Third Affidavit of Stephen James Alexander sworn 27 February 2012

AND UPON the Court being satisfied that the Plaintiff has failed to provide security for the Defendant's costs pursuant to paragraph 4 of the Order

IT IS THIS DAY ADJUDGED that

- 1 the Plaintiff's Amended Writ of Summons dated 10 July 2008 be struck out and judgment entered for the Defendant;
- 2 the Plaintiff do bear the Defendant's costs of the proceedings (not otherwise provided for by the Order), to be taxed on the standard basis, if not agreed.

DATED this 27 day of Feb 2012

FILED this 27 day of Feb 2012



Dep. Clerk of Courts

JUDGE OF THE GRAND COURT



THIS JUDGMENT was filed by Maples and Calder, attorneys for the Defendant, whose address for service is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. (Ref: CDM/JJG/SBA/011166/22980382)